

# COMMUNICATION ON PROGRESS

2018

## A word from the President

The Serac Group designs and manufactures solutions for products in bottles and in cups. With more than 600 employees, the Group is present worldwide with its head office in France. Excellence, assistance, innovation and sustainable development are the 5 values that define the way we work.

As a conscientious French industrial player present in several countries, I have the pleasure of renewing the Group's support to the 10 principles of the United Nations Global Compact for its sixth year.

The Group has always abided to universal principles such as: the Universal Declaration of Human Rights, the principles of the International Labour Organization (ILO), the OECD Guidelines for Multinational Enterprises, the RIO Convention and the UN Convention against Corruption.

Our most important tool to clarify our commitment is our ethical code, available in two versions: one for our employees and one for our suppliers. These codes are a concrete illustration of what we aim for here at Serac.

Each year, the CoP is an opportunity for the Group to do a general assessment on the topics we committed to, and by looking at where we stand regarding the 10 principles of the UN Global Compact.

Between October 2017 and October 2018, many actions were undertaken. Investments for the optimization of our buildings have already proven worthy with less energy consumptions and a more comfortable working environment for our employees. We are also pursuing our work on the fight against all forms of discrimination in the workplace, and we need to pursue this train of thought. Although we are satisfied with our achievements on CSR matters, there are still topics on which we can improve.

In this annual Communication on Progress, we describe the actions that illustrate our commitment to the 10 principles of the UN Global Compact in our daily tasks. We are committed to sharing this information with our stakeholders, using our different channels of communication.

Best regards,

  
Wilfrid Marie



## **Human Rights Principles**



**Principle 1** Businesses should support and respect the protection of internationally proclaimed human rights ; and



**Principle 2** make sure that they are not complicit in human rights abuses.

### **Assessment, Policy and Goals**

Ever since Serac was created in 1969, the company respects the articles of the [Universal Declaration of Human Rights](#). In 2013, it was strengthened with the edition of two ethical codes: one for [our employees](#) and one for [our suppliers](#). Each of these documents, available online, mention in priority the respect and the promotion of Human Rights in all our locations and those of our partners, worldwide.

If there is no specific internal evaluation on the topic of Human Rights, we are trying to monitor and map the locations at risk.

### **Implementation**

In 2010, to accompany the internationalization of our Group, a person was designated as responsible for the Human Rights issues in the Human Resources team. Our ethical codes are our main tool to raise awareness on this subject.

This year, a working group was set up after the European General Data Protection Regulation (GDPR), which concerns the French affiliates of Serac. A Data Protection Officer was designated to follow-up on this regulation. A mapping of all our processes using personal data was carried out, followed-up by the definition and the implementation of an action plan.

Furthermore, the confidential alert procedure is still in place, and has been since 2012. An anonymous email address behind which stands the ethical committee is available to all our internal and external stakeholders. This feature enables them to share their worries and/or complaints of behaviour going against our ethical codes.

### **Measurement of outcomes**

No complaint or worry on Human Rights issues has come through the anonymous email address. We have no other means of measure today on this topic.



## **Labour Principles**



**Principle 3** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining ;



**Principle 4** the elimination of all forms of forced labour and compulsory labour ;



**Principle 5** the effective abolition of child labour ; and



**Principle 6** the elimination of discrimination in respect of employment and occupation.

### **Assessment, Policy and Goals**

Serac refers to the ILO and the [OECD Guidelines for Multinational Enterprises](#) in its daily tasks. To ease the communication and raise awareness, the [ethical codes](#) explicitly specify the commitment the Group has taken with these international principles.

As indicated in our codes, Serac rigorously follows the laws and regulations regarding child labour and other penal servitude. As per international norms, Serac systematically pays its employees through salaries, paid holidays and overtime (non-exhaustive). Serac commits to having salaries at least at the national minimum wage level. The code also insists on employee rights (social dialogue, well-being, fight against discrimination etc).

Specific chapters are dedicated to the good relations between business partners, the fight against sexual and psychological harassment, political neutrality in the name of the Group and mutual cultural respect due to its international presence.

The Group addresses and is committed to the fight against any form of discrimination, and the promotion of equal opportunity in the access to employment, training and professional evolution. The “Chart of employment for people with disabilities” (internal document) was written in 2010, stipulating the will of Serac to work on the inclusion of individuals with disabilities, and partner as much as possible with organizations similar to ESATs<sup>1</sup>.

Finally, the Group’s salary policy aims to be transparent and available internally to all the Group’s employees.

### **Implementation**

In 2012, Serac initiated a partnership with an ESAT for the collection and recycling of paper on the three sites of *La Ferté-Bernard* in France.

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<sup>1</sup> An ESAT (*Etablissement ou Services d’Aide par le Travail*) are organizations that enable disabled workers to pursue a professional activity adapted to their abilities, thus developing their potential.

All documents that can be of use to new employees in his work (codes, security information etc) are handed to him during his first HR interview and made easily accessible on the internal network of the Group.

To fight against any form of discrimination in the workplace, the HR teams thoroughly analysed their data to bring very concrete solutions. An action plan has been defined to reduce any form of work discrimination due to gender and/or age.

In order to ensure the health and safety of its employees, each Group site has a daily recap to issues related to safety, quality, activity etc. This ensures an optimal follow-up of each sites' activity and employees. Protective equipment (ear plugs, safety shoes etc) are given and training plans (example: proper use of chemical products) are organized for employees working in specific conditions. A document is written and updated each year, identifying all potential risks in the different sites with prevention measures to avoid any pre-identified accident.

Finally, the alert procedure through the ethical committee enables any stakeholder to send a worry or a complaint for the no-respect of the ethical code.

**Measurement of outcomes**

No complaint this year has been communicated to the ethical committee on actions going against the labour principles written in the ethical code.



**Environmental Principles**



**Principle 7** Businesses should support a precautionary approach to environmental challenges ;



**Principle 8** undertake initiatives to promote greater environmental responsibility ; and



**Principle 9** encourage the development and diffusion of environmentally friendly technologies.

**Assessment, Policy and Goals**

Serac is committed to following the principles of the [Rio Convention](#). The protection of the environment is mentioned in its ethical codes, and the Group encourages all its stakeholders to favour policies and projects that respect and protect the environment. We aim for this by going further than local and international legislation, in a manner of continuous improvement.

To go even further, the Group decided to initiate internally an assessment of its environmental footprint to try and establish by the autumn of 2019 a formalized policy with short- and long-term goals.

**Implementation**

The ethical codes are the documents we use to communicate and raise awareness on the protection of the environment to our employees and suppliers.

The three sites in *La Ferté-Bernard* work with a specialized organization to recycle their industrial waste. An agreement was signed in 2012 with an ESAT for the collection and recycling of the office paper.

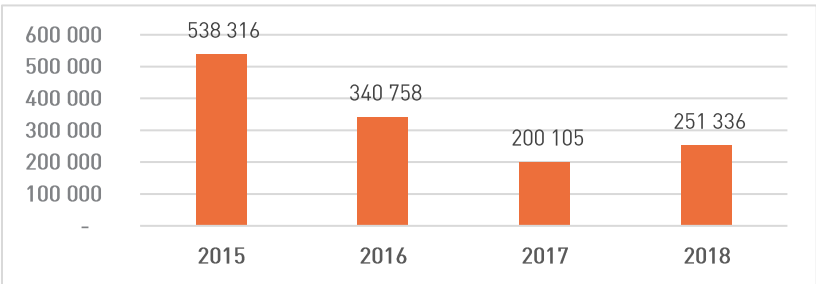
In 2016, Serac launched a program to optimize its buildings: reorganization of the space, improve the industrial timetable, bring more comfort to the employees, update certain tools to avoid risks etc... always keeping in mind to use materials respectful of the environment and that do not harm the health and safety of the employees.

Serac offers its clients well-adapted products to better respond to their need of reducing their carbon footprint. The Research & Development teams of the Group have been thinking of machinery consuming less energy, water and chemical products. BluStream is the solution. This technology permits the sterilization of containers by electron-beam, massively reducing the use of water and chemical products. A prototype of this technology for the sterilization of bottle caps is currently being built in its headquarters for the first trimester of 2019.

To better work on a global environmental strategy for the Group, a person is entirely dedicated to work on following the data and doing assessments.

**Measurement of outcomes**

Today, the building optimization program has been completed on one of our sites, and another site in *La Ferté-Bernard* is initiating this program. Several actions have made it possible to reduce our environmental footprint. For example, we have cut down the use of fuel by changing our fuel heater to a gas heater. The installation of LED lamps, more efficient, reduce power consumption and we've installed video-conferencing in a big part of our meeting rooms to reduce the need for travel.



*Electricity consumption in kWh of the A building in La Ferté-Bernard (until October 2018)*

This table shows the annual evolutions of electricity consumptions of the A building that went through the optimization program in 2016. We can see a diminishing consumption between 2015 and 2017. The slight increase in 2018 is due to an increase of machine orders.



## Anti-Corruption Principles



**Principle 10** Businesses should work against corruption in all its forms, including extortion and bribery.

### Assessment, Policy and Goals

Fighting against corruption is a key topic for Serac, confirmed by the signing of the [UN Convention Against Corruption](#), the ILO, the [OECD Guidelines for Multinational Enterprises](#) and the UN Global Compact. The *Loi Sapin II*<sup>2</sup> in 2016 only confirmed the necessity to work on this issue, especially when you do business worldwide.

Sending a clear message on the Group's intent to fight corruption, the codes explain all the risks with fighting corruption: economic performance, stakeholder engagement, judiciary pursuits etc. It explicitly states its zero tolerance to any form of corruption, bribe and extortion.

A mapping of all the risks is currently being done to set up a detailed policy on the way to reduce all the risks linked to corruption. Criteria should also be established and included in our supply chain policies.

### Implementation

The Group communicates and raises awareness on the risks with corruption, essentially through the ethical codes given to all employees and suppliers. The ethical committee has been nominated to make sure the rules have been respected. A confidential alert procedure has also been set up bring up worries or complaints and is open to all the Group's stakeholders.

### Measurement of outcomes

Today, no worry has been sent to the ethical committee regarding risks of corruption.

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<sup>2</sup> The '*Loi Sapin II*' is the colloquial name for France's new anti-corruption legislation: "The Law on Transparency, the fight against corruption and the modernisation of economic life".



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

